

STATE OF WASHINGTON



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of

**Darel S. Mc Mahon
and
Mc Mahon Insurance Agency,**

Licensees.

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) No. D 02 - 201
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) ORDER NOT TO ISSUE, RENEW,
) OR REINSTATE LICENSE
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To: Darel S. Mc Mahon
11818 SE Mill Plain Blvd. # 407
Vancouver, WA 98684

To: Mc Mahon Insurance Agency
1614 SE Cascade Ave
Vancouver, WA 98684

And

To: Licensing Division
Insurance Commissioner's Office
Olympia, WA 98504

IT IS ORDERED AND YOU ARE HEREBY NOTIFIED that no insurance agent's or solicitor's license shall be renewed, reinstated, or issued to Darel S. Mc Mahon or Mc Mahon Insurance Agency (the "former licensees") and no appointment or affiliation of the former licensees as an agent will be accepted, until further order of the Commissioner.

THIS ORDER IS BASED ON THE FOLLOWING:

Former Licensee, Darel S. Mc Mahon's insurance agent license expired June 4, 2002. He had been licensed as a resident Life, Disability, Property and Casualty agent from September 12, 1986 to June 4, 2002.

Former Licensee, Mc Mahon Insurance Agency's insurance agent license expired September 18, 2002. It had been licensed as a resident Life, Disability, Property and Casualty agent from September 18, 2000 to September 18, 2002.

Over a period of several months, July 2000 to December 2000, Maurice Hitchcock gave Darel Mc Mahon various amounts of money, totaling approximately \$97,000, for the purpose of buying a Farmers New World Life Annuity. Mr. Mc Mahon did not purchase the annuity as instructed but diverted the monies for his own personal use. Farmers New World Life was obligated to return the money with interest and it terminated the appointment of Mr. Mc Mahon and his agency Mc Mahon Insurance. Each of these acts violated RCW 48.17.480, reporting and accounting for premiums and RCW 48.17.600, separation of premium funds.

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By this conduct, the former licensee has demonstrated to be untrustworthy and a source of injury and loss to the public and not qualified to be licensed as an insurance agent or solicitor. The refusal to renew, reinstate, or reissue a license is pursuant to RCW 48.17.070 and RCW 48.17.530 (1) (b), (d), and (h).

NOTICE TO THE FORMER LICENSEE CONCERNING YOUR RIGHT TO A HEARING. The former licensee has a right to demand a hearing pursuant to RCW 48.04.010 if aggrieved by this act of the Commissioner. Please note that a detailed summary of your right to contest this Order is attached. Briefly, if you are aggrieved by this Order, RCW 48.04.010 permits you to demand a hearing. Pursuant to that statute and others: You must demand a hearing, in writing, within 90 days after the date of this Order, which is the day it was mailed to you, or you will waive your right to a hearing. Your demand for a hearing must specify briefly the reasons why you think this Order should be changed. Upon receipt of your demand for hearing, you will be contacted by an assistant of the Chief Hearing Officer to schedule a teleconference with you and the Insurance Commissioner's Office to discuss the hearing and the procedures to be followed.

Please send any demand for hearing to Insurance Commissioner, attention Scott Jarvis, Deputy Insurance Commissioner, Office of the Insurance Commissioner, P.O. Box 40257, Olympia, WA 98504-0257.

ENTERED AT LACEY, WASHINGTON, this 1st day of November, 2002.

MIKE KREIDLER
Insurance Commissioner

By

SCOTT JARVIS
Deputy Commissioner

Investigator: Marianne Wise